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# NAFTA and North American Security

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## Workshop Conclusions

□ The North American Free Trade Agreement (NAFTA) has given the trilateral relationship among Canada, Mexico, and the United States increasing political salience. As these national economies merge, this dynamic will influence other realms, including national security.

□ While serving as a catalyst for expanded trilateral collaboration, NAFTA may also precipitate domestic unrest and social dislocation inside Mexico. Maintaining stability in Mexico is clearly a paramount consideration for all three countries. The need to manage the disruptive consequences of economic and political change in Mexico may be the most compelling reason for the three neighbors to coordinate their actions in the field of national security.

□ Prospects for constructing a collaborative security regime embracing all of North America will hinge on strengthening common interests, cooperating to deal with common vulnerabilities, and adhering to a common set of democratic values.

□ Prospects for positive security relations are more promising than they would have been without NAFTA. Limitations in the agreement, however, suggest a role for annual North American summits to examine mutual security concerns along with economic and diplomatic developments. New measures for sharing intelligence and building professional bonds among the military establishments of the three countries should be explored.

## Security Relations Prior to NAFTA

Historically, the negative consequences of sharing a border with the United States have been roughly comparable for its two neighbors, the major distinction being that Mexico has suffered much more deeply and more recently. During the 1800s, both nations had ample reason to fear intervention and loss of territory due to U.S. expansionism. But during the 20th century, security relations have advanced to the point that peace is now regarded as a permanent condition between these neighbors.

Mexico and Canada share a fundamental asymmetry of power in comparison to the United States, a situation which has historically created a preference for diversification in their approach to diplomatic and economic relations. However, since the mid-1980's the absence of suitable options for sustained economic progress has motivated both countries to bind their economies more closely to the United States via NAFTA. When it comes to regional diplomatic matters both Mexico and Canada have an intrinsic wariness regarding the exercise of U.S. military power in the Americas. Neither nation harbors any enthusiasm for the Rio Pact or the Inter-American Defense Board.

The post-Cold War period has been marked by an array of non-traditional security concerns that affect all three North American states in one way or another, including the cross-border flow of illicit drugs, contraband weapons, and illegal immigrants. These "security" concerns are distinctive because the non-state actors associated with them have tentacles that stretch across

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national boundaries. Consequently, the three states can address these problems effectively only via coordinated, multilateral action. Making the security relationship trilateral might be attractive for both Mexico and Canada because it could attenuate the fundamental disparity in power they both confront when dealing individually with the "Colossus" of North America. Perhaps the dawning of an era of expanded economic integration, growing interdependence, and shared transnational concerns will be conducive to reexamining the basis for future security cooperation.

### **The National Security Implications of NAFTA**

For a document that does not explicitly mention security matters, NAFTA is nevertheless replete with implications for regional security cooperation. In one sense, it could serve as a catalyst for closer coordination on a broad array of common concerns, particularly with regard to transnational security matters. Growing inter-dependence, a natural by-product of economic integration, will provide both impetus and opportunity for collaboration. As the tapestry of the three societies becomes more intricately interwoven, however, any fraying at the edges of one social order would have unavoidable consequences for the others. In this way, NAFTA could unintentionally create the necessity for future security cooperation.

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Ironically, NAFTA—this embryonic trade agreement—has already had a destabilizing impact on Mexico. When prospects for treaty ratification grew tenuous in the U.S. Senate in mid-1993, the Salinas Administration withdrew the army from Chiapas to avoid potentially embarrassing encounters with insurgents known to be operating there. The resulting local security vacuum was exploited by guerrilla organizers in the New Year's Day, 1994, Zapatista uprising. NAFTA served as a shibboleth for rebel leaders who argue (not without cause) that it exposes indigenous farmers to the rigors of international competition, which may condemn them to a life of subsistence-level farming. Although the roots of turmoil that erupted in Chiapas are embedded in Mexican history and

culture, the trade accord has become a symbol, ironically, of the instability it was created to overcome.

In the short run, trade liberalization is likely to strain Mexico's domestic tranquility even further. Major structural reforms will be required if the nation's entrepreneurs and farmers are to emerge from the crucible of international competition strengthened. Many small and medium-sized businesses are liable to be disadvantaged by capital shortages, which will hamstring their capacity to convert to more efficient modes of production. Job creation could suffer initially as non-competitive enterprises founder. Compounding this strain is the growing cleavage between northern Mexico, which is on the threshold of joining the First World, and southern Mexico, which is mired in the Third World and increasingly politicized and restive.

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To further complicate this challenge to Mexico's domestic stability, the Zedillo Administration will not have the luxury its predecessor enjoyed of placing political reform on the back burner. Thus, Mexico is in the undesirable position of confronting an imperative to reform both its economic and political orders simultaneously. Change of this magnitude is fraught with risk. Mexico's stability, moreover, is a primordial concern for its NAFTA partners. Thus, any trilateral mechanism created to deal with security on the North American continent would ineluctably confront issues that are fundamentally domestic in nature, such as appropriate responses to rebellion in southern Mexico or to the separatist movement in Quebec. Mexican and Canadian authorities will certainly seek to preserve their sovereign prerogatives in handling such matters.

On the other hand, it could be essential for the NAFTA partners to remain sensitive to and informed about the unintended consequences of free trade, and to craft complementary strategies to ameliorate de-stabilizing effects. Perhaps the need for mutually supportive policies is the most compelling reason for the three neighbors to establish a mechanism to coordinate their actions in the field of national security.

## Prospects for North American Security Cooperation

Canada, the United States, and Mexico are neighbors, but they do not constitute a neighborhood. While Mexico has drawn closer to its North American partners in recent years, there is still nothing approaching the collaborative security regime that exists between the U.S. and Canada. Prospects for constructing such a regime encompassing all of North America will hinge on at least three factors:

**Common Interests:** To a considerable degree, NAFTA is a formal acknowledgment that the future prosperity of all three countries is interdependent. Recession, social decay, or political disorder anywhere in North America would have a negative impact throughout the continent. In a world increasingly defined by economic competitiveness and regional trading blocks, none of the partners can afford to become isolated from its neighbors. As one analyst characterized the situation for Mexico, it would make no sense to put all its eggs in one basket and then quarrel with the owner of the basket. There is an increasing recognition among national security elites in all three nations that they share substantial interests in common, including economic prosperity and political tranquility.

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**Common Vulnerabilities:** The *sine qua non* for a cooperative security regime is the existence of a mutual threat. In this post-Cold War era, the dominant threats to North America are manifested in non-traditional

ways. The most acute national security concerns today are transnational threats that emanate from non-state actors, vulnerabilities which can be just as menacing as traditional security concerns. If not confronted effectively, they can corrode the very fabric of society and the fundamental institutions of law and order. The trans-national mode of operation of these non-state actors demands a coherent multilateral response.

**Common Values:** A robust level of cooperation will evolve to the extent that there is a common democratic ethos shared by all three national security establishments. As North America increasingly becomes synonymous with democratic governance, the scope of potential cooperation in national security matters will naturally be broadened; otherwise measures taken to combat sources of instability could be indistinguishable from political repression. Democracy will flourish as institutions of national security are incorporated into this process. Democratic consolidation could be both a cause and an outcome of expanded cooperation among the national security establishments of North America.

On balance, the environment for constructing a cooperative security regime is more promising than without NAFTA; however, important limitations remain, particularly for Mexico. If the Zedillo Administration were to demonstrate the political will to move forward with such a regime, then substantial progress could follow. Then North America would have resolved the classic "security dilemma" that has dominated international relations in the past -- rather than regarding neighboring states as potential sources of insecurity, it may one day be possible to fashion a cooperative regime in which all three states regard each other as essential elements in the resolution of their most pressing security concerns.

### About the Workshop "North American Security in the time of NAFTA"

At a workshop jointly sponsored by the Institute for National Strategic Studies and the Office of the Deputy Assistant Secretary of Defense for Inter-American Affairs, eminent scholars and practitioners from Canada, Mexico, and the United States explored the prospect that a cooperative security regime might ultimately emerge on the continent. This workshop was the third in a five-part series looking at

cooperative security in the Americas as the region's new strategic environment reshapes international relationships.

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## Recommendations

□ To promote greater interaction in national security affairs, policy makers in Canada, Mexico, and the United States might institutionalize annual "North American Summits," much as the G-7 countries do. In addition to economic matters, each leader might present his nation's assessment of shared national security concerns. These meetings could serve as forums for formulating common North American positions on security topics of a hemispheric or global nature and as avenues for information-sharing.

□ It could be useful for the three military establishments to engage in combined activities of a "confidence-building" nature. The possibilities might include increased personnel exchanges, unit visits, and combined activities or exercises of a non-controversial nature, such as search and rescue.

□ With regard to cooperation against common transnational threats, a formal military alliance binding the three nations together is not necessary. However, the three governments do need to agree on the appropriate supportive role for the armed forces in meeting these threats.



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